



Michigan Bankers Association

507 S. Grand Ave.
Lansing, MI 48933
www.mibankers.com

517-485-3600
Fax 517-485-3672

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Members of the House Banking and Financial Services Committee:
Michigan House

Dear Members:

Thank you for giving us the opportunity to comment on HB 4103. Allowing certain consumers to place security freezes on their credit information is not the complete solution to eliminating identity theft or data breach, the following items below are detailed examples of policy issues that our industry would like to see in a "security freeze" bill.

1. Exceptions to security freeze: It is important for banks to have the ability to check their customer's credit reports to maintain a sound and safe lending environment; for example, checking status on collateral.
2. Include entities not required to place a freeze on a credit report: This will provide clarity so that there will be no confusion about who has authority to place the freeze.
3. Definitions: We would like to use federal definitions from the Fair Credit Reporting Act for "credit reporting agency" and "consumer report." If the definitions are consistent throughout the industry, again, there will be no confusion about who has the authority to place the freeze.

In the substitute (H-1), our major concerns specific to the banking industry have been addressed. We appreciated working with the sponsor, Representative Kathy Angerer and Chairman Andy Coulouris to include the amendatory language. Inevitably, there will be discussion on issues with the implementation of security freezes such as fees, who may apply for a freeze and the ability to apply for subsequent credit. There may be future implications for consumers and businesses regarding these items, but HB 4103 (H-1) accomplishes our main objectives.

Thank you for your consideration,

Joelle Demand
Policy Director
Michigan Bankers Association